

House Study Bill 40 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
VETERANS AFFAIRS BILL)

A BILL FOR

1 An Act relating to the disabled veteran homestead tax credit by
2 modifying eligibility criteria and including effective date
3 and retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 425.15, subsection 1, paragraphs b, c,
2 and d, Code 2015, are amended to read as follows:

3 b. A veteran as defined in section 35.1 with a permanent
4 service-connected disability rating of one hundred percent or
5 a permanent and total disability rating based on individual
6 unemployability, as certified by the United States department
7 of veterans affairs.

8 c. A former member of the national guard of any state
9 who otherwise meets the service requirements of section 35.1,
10 subsection 2, paragraph "b", subparagraph (2) or (7), with a
11 permanent service-connected disability rating of one hundred
12 percent or a permanent and total disability rating based on
13 individual unemployability, as certified by the United States
14 department of veterans affairs.

15 d. An individual who is a surviving spouse or a child and
16 who is receiving dependency and indemnity compensation pursuant
17 to 38 U.S.C. §1301 et seq., as certified by the United States
18 department of veterans affairs.

19 Sec. 2. Section 425.15, subsection 2, paragraph b, Code
20 2015, is amended to read as follows:

21 b. An individual described in subsection 1, paragraph "d",
22 is no longer eligible for the credit ~~if the individual marries~~
23 ~~or~~ upon termination of dependency and indemnity compensation
24 under 38 U.S.C. §1301 et seq.

25 Sec. 3. Section 425.15, Code 2015, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 5. For purposes of this section, "*permanent*
28 *and total disability rating based on individual unemployability*"
29 means a condition under which a person has either a permanent
30 service-connected disability rating of sixty percent or two or
31 more permanent service-connected disability conditions in which
32 one of the conditions has at least a forty percent rating and
33 the combined rating for all the conditions is at least seventy
34 percent, and the person has an administrative adjustment added
35 to the service-connected disability rating, due to individual

1 unemployability, such that the United States department of
2 veterans affairs rates the veteran permanently and totally
3 disabled for purposes of disability compensation.

4 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
5 immediate importance, takes effect upon enactment.

6 Sec. 5. RETROACTIVE APPLICABILITY. This Act applies
7 retroactively to May 26, 2014, for applications for the
8 homestead credit under chapter 425 filed on or after that date.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 Current Code section 425.15 provides a homestead credit to
13 the owner of a homestead for the full amount of tax levied
14 if the owner is any of the following: (1) a veteran of any
15 of the military forces of the United States who acquired the
16 homestead under specified federal programs; (2) a veteran
17 with a service-connected disability rating of 100 percent;
18 (3) a former member of the national guard of any state who
19 meets specified service requirements with a service-connected
20 disability rating of 100 percent; or (4) an individual who is a
21 surviving spouse or a child and who is receiving dependency and
22 indemnity compensation.

23 This bill amends the eligibility criteria for the credit to
24 include a veteran with a permanent and total disability rating
25 based on individual unemployability and certain members of the
26 national guard with a permanent and total disability rating
27 based on individual unemployability.

28 The bill defines "permanent and total disability rating
29 based on individual unemployability" to mean a condition
30 under which a person has either a permanent service-connected
31 disability rating of 60 percent or two or more permanent
32 service-connected disability conditions in which one of the
33 conditions has at least a 40 percent rating and the combined
34 rating for all the conditions is at least 70 percent, and
35 the person has an administrative adjustment added to the

1 service-connected disability rating, due to individual
2 unemployability, such that the United States department of
3 veterans affairs rates the veteran as permanently and totally
4 disabled for purposes of disability compensation.

5 The bill specifies that for purposes of qualifying for the
6 credit, the receipt of dependency and indemnity compensation
7 by an individual who is a surviving spouse or a child must be
8 certified by the United States department of veterans affairs.
9 The bill also removes the provision that terminates eligibility
10 for the credit for a surviving spouse receiving dependency and
11 indemnity compensation when the surviving spouse remarries.

12 The bill takes effect upon enactment and applies
13 retroactively to May 26, 2014, for applications for the
14 homestead credit filed on or after that date.